

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Environmental Protection **Date:** 7/17/2009

Subject Matter of Regulation: Revisions to the Regulations concerning Underground Storage Tanks

Regulation Section No.: R.C.S.A. Section 22a-449(d)-1 and Sections 22a-449(d) 101-113

Statutory Authority: C.G.S. §§ 22a-449(d)

Other Agencies Effected: All agencies which own or operate subject underground storage tanks

Effective Date Used In Cost Estimate: February 1, 2010

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ESTIMATE OF COST OR REVENUE IMPACT OF PROPOSED REGULATION

Agency: _____ **Fund Effected:** _____

	First Year	Second Year	Full Operation
<u>Number of Positions</u>	0	0	0
Personal Services	0	0	0
Other Expenses	0	0	0
Equipment	0	0	0
Grants	0	0	0
Total State Cost or (Savings)	0	0	0
Estimated Revenue Gain or (Loss)	0	0	0
Total Net State Cost or (Savings)	0	0	0

Explanation of State Impact of Regulation:

The proposed revisions to the UST regulations will have little to no overall fiscal impact on the state should it have USTs subject to the revisions. The state must spend significant resources when it is discovered that a state-owned UST has leaked, including mitigation and cleanup of impacts of such releases as well as the deployment of state emergency response personnel. As these USTs age, the likelihood of an incident occurring increases. The installation of secondary containment and the training of the UST operators* will decrease the chance for significant releases, thereby saving the costs associated with repairing leaking USTs and remediating their impacts. This is beyond the clear benefits to human health and the environment of avoiding leaks from USTs.

The review and approval of training programs by the DEP will be accomplished using existing staff. The EPA already provides federal funding for compliance inspection activities. Therefore, inspecting for compliance with these additional parameters will be accomplished using the existing staff and resources. In addition, compliance with the proposed revisions will minimize claims on the state-funded UST Clean-Up Account.

The EPA has required these changes on a nationwide basis and the positive impacts on human health and the environment along with the cost saving realized by release prevention have resulted in positive impacts on states and their programs. With the adoption of these amendments, Connecticut and the

surrounding states will have similar, if not identical, requirements in place based upon the federal requirements.

Explanation of Municipal Impact of Regulation:

Currently, many towns pay the costs associated with mitigation and cleanup of releases from USTs. In addition, they bear the added costs associated with providing emergency responders, particularly the local fire departments, when there are releases from government-owned or privately-owned USTs. The impact, then, of increasing release prevention through secondary containment systems and training requirements* is one of preventing such costs as well as the benefit of preventing contaminated properties which then become hard to market, sell, and develop.

The prevention of releases from USTs helps to safeguard both private and public drinking supplies from the adverse impacts to these resources that may result from releases by underground storage tanks. From both an economic development perspective and from the direct expenditure of resources in responding to UST leaks, the implementation of these requirements make fiscal sense. In addition, the EPA is requiring the implementation of these measures on a nationwide basis.

Explanation of Small Business Impact of Regulation:

The proposed revisions to the UST regulations will have minimal overall fiscal impact on 3,200 small businesses with underground storage tanks subject to the new requirements. Currently, businesses which own or operate USTs, must spend significant resources when it is discovered that a UST has leaked, including mitigation and cleanup of impacts of such releases as well as the repair of the UST system or replacement, if repairs are not appropriate. As these USTs age, the likelihood of a costly incident occurring increases. The installation of secondary containment and the training of the UST operators will decrease the chance for significant releases, thereby saving the costs associated with repairing leaking USTs and remediating their impacts. This savings would mitigate the cost associated with the installation of secondary containment and the operator training*. This is beyond the clear benefits to human health and the environment of avoiding leaks from USTs.

The EPA has required these changes on a nationwide basis and the positive impacts on human health and the environment along with the cost saving realized by release prevention have resulted in the further safeguard both private and public drinking supplies, again preventing the costs of mitigation for impacts to these resources from releases of underground storage tanks. The prevention of releases from USTs helps from both an economic development perspective and from the direct expenditure of resources in responding to UST leaks, the implementation of these requirements makes fiscal sense. In addition, since the EPA is requiring the implementation of these measures on a nationwide basis, no business has a particular advantage over another.

***For the proposed Secondary Containment requirements, one-time costs will range between \$750 and \$2,000 for a typical system, depending on the specific configuration of the facility. For the proposed Operator Training requirements, costs will range from \$0 for an approved in-house training program using existing staff up to \$300 every 2 years for approved training offered by an outside contractor.**